

BLUE CROSS OF NORTHEAST OHIO
FINANCIAL AND STATISTICAL STATEMENTS

DECEMBER, 1971

C O N D E N S E D C O P Y

DUAROS

g 368.42
0 B625f



EXHIBIT 1

ASSETS
December 31, 1971

CASH

Cash in Banks - Not at Interest.....	\$ 1,562,834.43	
Savings Deposits at Interest.....	6,438.98	
On Hand.....	<u>750.00</u>	\$ 1,570,023.41

INVESTMENTS

United States Government Securities.....	9,196,390.59	
Public Utility Securities.....	5,733,750.70	
Industrial Securities.....	5,836,407.19	
Common Stock.....	<u>280,827.46</u>	21,047,375.94

<u>ACCRUED INTEREST</u>		283,711.45
-------------------------------	--	------------

ACCOUNTS RECEIVABLE

Group Subscribers - Locally Rated Groups.....	4,668,384.94	
Group Subscribers - National Accounts.....	7,881,057.06	
Medical Mutual of Cleveland, Inc.....	87,428.34	
Ohio Medical Indemnity, Inc.....	95,331.15	
Advance Deposit - Health Care Mutual.....	75,000.00	
Advances for other Service Plans.....	353,544.13	
Advances for Shared Computer Program.....	905,512.08	
Advances for Drug Program Central Processing Operation.....	103,544.90	
Advance Deposits - City and County Bids on Hospitalization.....	50.00	
Inter-Plan Service Benefit Bank.....	<u>1,061,536.47</u>	15,231,389.07

<u>TOTAL ADMITTED ASSETS</u>		<u>\$38,132,499.87</u>
------------------------------------	--	------------------------

MEMORANDUM ACCOUNT - NON-ADMITTED ASSET:

Air Travel Deposit.....	\$ 425.00	
Leasehold Improvements.....	<u>2,942,384.46</u>	
	<u>\$ 2,942,809.46</u>	

EXHIBIT 2

LIABILITIES AND RESERVES

December 31, 1971

UNEARNED INCOME (LEGAL RESERVE)..... \$ 9,305,728.87

DUE HOSPITALS FOR ACCRUED BILLINGS, INCOMPLETE,

UNDISCHARGED AND UNREPORTED CASES..... \$16,964,343.82

LESS: CURRENT FINANCING DEPOSITS..... 5,340,586.50

11,623,757.32

DUE HOSPITALS FOR ADJUSTED PAYMENTS

Payments (or Refunds) required to adjust

tentative payments to audited rates..... 3,953,400.00

Less: Partial Payment of Rate Adjustment..... 76,969.70

3,876,430.30

ACCOUNTS PAYABLE, ACCRUED ACCOUNTS, AND OTHER LIABILITIES

General Accounts Payable..... 348,618.00

Unclaimed Checks..... 107,898.41

Medical Mutual of Cleveland, Inc..... 314,172.67

Ohio Medical Indemnity, Inc..... 37,770.81

Income Taxes Withheld from Employees..... 6,691.65

Deposited for Purchase of U.S. Savings Bonds..... 3,389.91

Employees' Matched Savings Investment Plan..... 84,778.91

Employees' Retirement Plan..... 2,554.09

Federal and State Social Security Taxes..... 6,038.85

Accrued Employees' Compensation..... 179,485.00

Deposits for Claims of National Accounts..... 2,670,916.39

National Accounts Syndicate Funds..... 1,452,027.90

Special Fund Reserve..... 6,464.65

Medicare Program - Administrative Expense..... 104,760.29

Advance Deposits - Drug Program..... 151,060.00

5,476,627.53

RESERVES

Reserve for Contingencies..... 7,849,955.85

TOTAL LIABILITIES AND RESERVES..... \$38,132,499.87

Total Persons Protected..... 1,785,875

Contingencies Reserve Per Capita..... \$4.40

Contingencies Reserve in Months of

Hospital and Administrative Expense..... .55

MAR 2 1972

EXHIBIT 3

STATEMENT OF INCOME AND EXPENSE

December, 1971

	<u>DECEMBER</u>	<u>FIRST HALF</u>	<u>LAST HALF</u>	<u>YEAR TO DATE</u>
<u>INCOME</u>				
Earned Income from Subscribers.....	\$15,765,626.32	\$82,284,025.95	\$89,903,371.36	\$172,187,397.31
<u>EXPENSE</u>				
Administrative Expense.....	591,199.67	3,258,454.15	3,333,876.79	6,592,330.94
	15,174,426.65	79,025,571.80	86,569,494.57	165,595,066.37
<u>HOSPITAL SERVICES</u>				
Estimated Incurred Claims at				
Tentative Rates.....	14,681,400.00	79,296,400.00	83,640,000.00	162,936,400.00
Adjustment to Estimated Audited Hospital				
Rates.....	358,700.00	1,777,900.00	2,175,500.00	3,953,400.00
Total Hospital Costs.....	15,040,100.00	81,074,300.00	85,815,500.00	166,889,800.00
Less: Refunds covering Compensation				
Claims, Coordination of Benefits, etc..	90,582.92	439,908.77	592,440.68	1,032,349.45
	14,949,517.08	80,634,391.23	85,223,059.32	165,857,450.55
<u>TO RESERVES FROM SUBSCRIBER INCOME.....</u>	<u>224,909.57</u>	<u>-1,608,819.43</u>	<u>1,346,435.25</u>	<u>- 262,384.18</u>
<u>OTHER INCOME AND ADJUSTMENTS</u>				
Income from Investments.....	106,285.33	675,437.77	604,422.63	1,279,860.40
Alteration Expense.....	-0-	- 216,249.86	- 8,268.19	- 224,518.05
Amortization - Leasehold Improvements....	36,779.79	196,353.96	217,787.31	414,141.27
	143,065.12	655,541.87	813,941.75	1,469,483.62
<u>NET CHANGE IN RESERVES.....</u>	<u>\$ 367,974.69</u>	<u>\$ - 953,277.56</u>	<u>\$ 2,160,377.00</u>	<u>\$ 1,207,099.44</u>

EXHIBIT 20

STATEMENT OF OPERATIONS - 1934 TO DATE
December 31, 1971

	<u>1934-1968</u>	<u>YEAR</u> <u>1969</u>	<u>YEAR</u> <u>1970</u>	<u>YEAR TO DATE</u> <u>1971</u>	<u>JULY 1, 1934</u> <u>TO</u> <u>DECEMBER 31, 1971</u>
<u>INCOME FROM SUBSCRIBERS</u>	\$1,320,416,818.03	\$120,251,524.54	\$140,200,069.37	\$172,187,397.31	\$1,753,055,809.25
<u>ADMINISTRATIVE EXPENSE</u>	<u>41,145,551.93</u>	<u>4,399,585.26</u>	<u>5,908,948.84</u>	<u>6,592,330.94</u>	<u>58,046,416.97</u>
	<u>1,279,271,266.10</u>	<u>115,851,939.28</u>	<u>134,291,120.53</u>	<u>165,595,066.37</u>	<u>1,695,009,392.28</u>
<u>HOSPITAL SERVICES INCURRED</u>	<u>1,266,888,652.56</u>	<u>123,369,879.01</u>	<u>142,171,053.93</u>	<u>165,857,450.55</u>	<u>1,698,287,036.05</u>
	<u>12,382,613.54</u>	<u>-7,517,939.73</u>	<u>-7,879,933.40</u>	<u>- 262,384.18</u>	<u>-3,277,643.77</u>
<u>OTHER INCOME LESS</u>					
<u>OTHER DEDUCTIONS</u>	<u>9,021,740.75</u>	<u>1,152,356.52</u>	<u>- 515,981.27</u>	<u>1,469,483.62</u>	<u>11,127,599.62</u>
<u>TO CONTINGENCIES RESERVE</u>	<u>\$ 21,404,354.29</u>	<u>\$ -6,365,583.21</u>	<u>\$ -8,395,914.67</u>	<u>\$ 1,207,099.44</u>	<u>\$ 7,849,955.85</u>

PERCENTAGE DISTRIBUTION OF SUBSCRIBER INCOME

<u>HOSPITAL SERVICES INCURRED</u>	95.95	102.59	101.41	96.32	96.88
<u>ADMINISTRATIVE EXPENSE</u>	3.12	3.66	4.21	3.83	3.31
<u>CONTINGENCIES RESERVE</u>	.93	-6.25	-5.62	-1.15	-.19
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>
Persons Protected	1,772,264	1,775,411	1,787,034	1,785,875	
Contingencies Reserve Per Capita	\$12.07	\$8.47	\$3.72	\$4.40	
Contingencies Reserve in months of					
Hospital and Administrative Expense	2.27	1.46	.54	.55	

Cleveland Blue Cross began operations July , 1934.
Akron Blue Cross began operations January, 1937.



EXHIBIT 21

SUBSCRIBERS
December 31, 1971

	PROTECTED (A)			COMBINED	SERVED (B)	TOTAL
	BLUE CROSS	FULL SERVICE				
	65	INDIV.	FAMILY			
PERSONS PROTECTED AND SERVED						
Previous Month.....	164,207	203,165	1,394,877	1,762,249	10,904	1,773,153
Additions.....	10	1,191	22,425	23,626	338	23,964
As of this Date.....	164,217	204,356	1,417,302	1,785,875	11,242	1,797,117

CONTRACTS

Previous Month.....	164,207	203,165	357,750	725,122	3,836	728,958
Additions.....	10	1,191	5,724	6,925	128	7,053
As of this Date.....	<u>164,217</u>	<u>204,356</u>	<u>363,474</u>	<u>732,047</u>	<u>3,964</u>	<u>736,011</u>

AT END OF CALENDAR YEAR

<u>PROTECTED (A)</u>			<u>PROTECTED (A)</u>			<u>PERSONS SERVED (B)</u>
<u>YEAR</u>	<u>CONTRACTS</u>	<u>PERSONS</u>	<u>YEAR</u>	<u>CONTRACTS</u>	<u>PERSONS</u>	
1934	3,220	3,220	1953	625,723	1,557,370	
1935	18,473	18,473	1954	634,535	1,581,975	
1936	42,500	42,500	1955	662,865	1,697,557	
1937	91,654	91,654	1956	670,460	1,733,542	
1938	116,974	173,944	1957	674,141	1,778,509	
1939	171,212	316,425	1958	666,132	1,770,623	
1940	238,027	464,979	1959	683,681	1,825,097	
1941	304,808	617,294	1960	672,701	1,801,331	43,870
1942	322,284	697,595	1961	663,820	1,780,567	43,870
1943	369,350	786,387	1962	651,235	1,742,035	43,870
1944	399,731	854,274	1963	643,245	1,710,422	68,507
1945	401,889	870,241	1964	646,084	1,719,330	72,885
1946	473,163	1,036,063	1965	655,254	1,728,436	74,518
1947	489,381	1,083,538	(C) 1966	688,713	1,674,791	71,096
1948	490,775	1,102,656	1967	667,585	1,686,026	79,366
1949	493,275	1,130,716	1968	705,387	1,772,264	47,397
1950	542,807	1,258,858	1969	711,301	1,775,411	48,785
1951	566,388	1,351,566	1970	721,770	1,787,034	20,997
1952	599,716	1,434,332				

- (A) Persons are considered protected if B.C.N.O. has issued the contract to the subscriber.
- (B) Persons are considered served if another Blue Cross Plan has issued the contract to the subscriber under a National Plan and B.C.N.O. has agreed with the Plan to service the hospital benefits for the local subscribers.
- (C) Medicare effective July 1, 1966.



BLUE CROSS OF NORTHEAST OHIO

FINANCIAL AND STATISTICAL STATEMENTS

DECEMBER 1971

